

# HOW TO COMPLETE YOUR PERIODIC TRANSIENT ACCOMMODATIONS TAX RETURN (FORM TA-1)

## INTRODUCTION

These instructions will assist you in filling out your periodic Transient Accommodations Tax Return (Form TA-1) correctly.

The transient accommodations tax (TAT) is levied on the gross rental or gross rental proceeds derived from furnishing transient accommodations. For periods ending before July 1, 2009, the rate is 7.25%; for periods beginning after June 30, 2009 and ending before July 1, 2010, the rate is 8.25%; and for periods beginning after June 30, 2010, the rate is 9.25%.

A "transient accommodation" is an apartment, house, condominium, beach house, hotel room or suite, or similar living accommodation furnished to a transient person for less than 180 consecutive days in exchange for payment in cash, goods, or services.

"Gross rental or gross rental proceeds" includes amounts paid to you in the form of cash, goods, or services as compensation for furnishing a transient accommodation without any deductions for costs incurred in the operation of the transient accommodation.

The transient accommodations tax on time share occupancy (TSO) tax is levied on the occupant of a time share vacation unit at the rate of 7.25% of the unit's fair market rental value. The time share plan manager shall be liable for and pay to the State the TSO tax.

"Fair market rental value" is defined as an amount equal to one-half the gross daily maintenance fees that are paid by the owner, are attributable to the time share unit, and include maintenance costs, operational costs, insurance, repair costs, administrative costs, taxes, other than transient

accommodations taxes, and other costs including payments required for reserves or sinking funds. The taxpayer shall use gross maintenance fees, unless the taxpayer proves or the Director of Taxation determines that the gross daily maintenance fees do not fairly represent fair market rental value taking into account comparable transient accommodation rentals or by other appraisal methods.

The TAT returns (Form TA-1) must be filed on a periodic basis depending on the amount of TAT or TSO tax you have to pay during the year. You must file **monthly** if you will pay more than \$4,000 in TAT or TSO tax per year. You may file **quarterly** if you will pay \$4,000 or less in TAT or TSO tax per year. You may file **semiannually** if you will pay \$2,000 or less in TAT or TSO tax per year. When changing your filing period, please complete Form GEW-TA-RV-5.

Form TA-1 is due with payment on or before the 20th day of the calendar month following the close of the filing period.

Taxpayers whose liability for the TAT exceeds \$100,000 per year are required to pay the tax by Electronic Funds Transfer (EFT).

To properly enter the necessary information into our computer system, the periodic tax returns must be filled in completely and accurately.

If a payment is being made with Form TA-1, make your check or money order payable to "Hawaii State Tax Collector." Write "TA", the filing period, your Hawaii Tax I.D. No., and your daytime phone number on the check. Attach your check or money order where indicated on the front of Form TA-1.

## **IMPORTANT!!!**

Write "TA", the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check so that it may be properly credited to your account. **If you do not have any gross rental or gross rental proceeds and do not have any fair market rental value and the result is no TAT and TSO tax liability, enter "0.00" on line 14. Please note that this periodic return must be filed.**

To correct a previously filed Form TA-1, file an amended return on Form TA-1.

Forms, instructions, and publications are available on the Department's website at **tax.hawaii.gov** or you may contact a customer service representative at:

Voice: 808-587-4242  
1-800-222-3229 (Toll-Free)

Telephone for the Hearing Impaired:  
808-587-1418  
1-800-887-8974 (Toll-Free)

Fax: 808-587-1488

E-mail: [Taxpayer.Services@hawaii.gov](mailto:Taxpayer.Services@hawaii.gov)


Mail: Taxpayer Services Branch  
P.O. Box 259  
Honolulu, HI 96809-0259

## FILLING IN YOUR FORM TA-1 (PERIODIC RETURN)

Follow the example presented in *italics* in the sample form. The circled numbers on the sample form correspond to the steps in the instructions.

*Example: ABC Resort (ABC), with Hawaii Tax I.D. No. W12345678-01, files its January return. ABC has one resort on Oahu and one on Maui.*

### THE TOP OF THE TAX RETURN (fig. 2.0)

FORM TA-1 (REV. 2014)	STATE OF HAWAII — DEPARTMENT OF TAXATION <b>TRANSIENT ACCOMMODATIONS TAX RETURN</b>	THIS SPACE FOR DATE RECEIVED STAMP <div style="float: right; font-size: 2em; font-weight: bold;">20</div>
 QBB141		
<input type="checkbox"/> Check this box if this is an AMENDED Return NAME: <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">1</span> ABC Resort	HAWAII TAX I.D. NO. W <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">2</span> 1 2 3 4 5 6 7 8 - 0 1	LAST 4 DIGITS OF YOUR FEIN OR SSN: <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">3</span> 1 2 3 4
<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">4</span> <input checked="" type="checkbox"/> Month <input type="checkbox"/> Quarter or <input type="checkbox"/> Semiannual Period Ending 0 1 / 1 5 (MM/YY)		

(Do not combine your income for more than one filing period on this return.)

fig. 2.0

**STEP 1** — Write your name (taxpayer's name) in the area provided.

**STEP 2** — Enter your Hawaii Tax I.D. No. in the area provided.

**STEP 3** — Enter the last 4 digits of your FEIN or SSN in the area provided.

**STEP 4** — Place an "X" in the appropriate box to indicate the filing period (Month, Quarter, or Semiannual Period) for

which the tax return is being filed and enter the filing period information with the appropriate numeric (two digit) month and year for the last month of the filing period (e.g., Month of January 2015 = 01/15; Quarterly Period of January through March 2015 = 03/15; Semiannual Period of January through June 2015 = 06/15).

*ABC files monthly returns, so an "X" was placed in the box labeled "MONTH" and ABC entered 01/15 for the numeric month and year for the last month of the filing period.*

### COMPUTING THE TAXES (fig. 2.1)

PART I — For Periods ending BEFORE July 1, 2009											
1	OAHU						.0725				1
2	MAUI, MOLOKAI, LANAI						.0725				2
3	HAWAII						.0725				3
4	KAUAI						.0725				4
PART II — For Periods beginning AFTER June 30, 2009 and ending BEFORE July 1, 2010											
5	OAHU						.0825				5
6	MAUI, MOLOKAI, LANAI						.0825				6
7	HAWAII						.0825				7
8	KAUAI						.0825				8
PART III — For Periods beginning AFTER June 30, 2010											
9	OAHU	<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">5</span> 10,000 00	<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">6</span> 0 00	<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">8</span> 10,000 00	.0925	<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">9</span> 925 00					9
10	MAUI, MOLOKAI, LANAI	20,000 00	0 00	20,000 00	.0925	1,850 00					10
11	HAWAII				.0925						11
12	KAUAI				.0925						12

fig. 2.1

**STEP 5** — Column (a), lines 1 through 12. Enter in Part I (for periods ending before July 1, 2009), in Part II (for periods beginning after June 30, 2009 and ending before July 1, 2010), and in Part III (for periods beginning after June 30, 2010) the total gross rental or gross rental proceeds during the period covered by the return for all transient accommodations furnished.

Please note that if you have transient accommodations in more than one taxation district, you must report the total transient accommodations furnished separately according to the taxation district in which the transient accommodations are located. For example, if you have transient accommodations on the island of Oahu and on the island of Maui, the total gross rental or gross rental proceeds on Oahu must be reported on lines 1, 5, and 9 and the total gross rental or

gross rental proceeds from the transient accommodations on Maui must be separately reported on lines 2, 6, and 10.

For column (a), line 9 (total gross rental proceeds on Oahu for the month of January 2015), ABC has entered \$10,000. For column (a), line 10 (total gross rental proceeds on Maui for the month of January 2015), ABC has entered \$20,000.

**STEP 6** — Turn to the reverse side of Form TA-1, "PART VII - EXEMPTIONS AND/OR DEDUCTIONS". Fill in the amount and description of the exemptions or deductions being claimed for each taxation district. Each exemption or deduction must be separately listed. If you do not have

any exemptions or deductions, enter "0.00" (*fig. 2.2*). Refer to the "SCHEDULE OF TRANSIENT ACCOMMODATIONS TAX EXCLUSIONS, EXEMPTIONS, AND DEDUCTIONS" in these instructions for further information.

ABC enters "0.00" for OAHU and "0.00" for MAUI, MOLOKAI, LANAI on the reverse side of the form because there are no exemptions or deductions being claimed.

**NOTE:** Deductions allowed on your income tax returns (e.g., operating expenses, management fees, etc.) are NOT deductible on the transient accommodations tax return. A listing of the allowable exemptions and deductions is on page 6 of these instructions.

**STEP 7** — Add the amounts of exemptions/deductions separately listed and enter the result on the “GRAND TOTAL EXEMPTIONS and/or DEDUCTIONS” line (*fig. 2.3*). Also enter the result on line 23 of the front page.

<b>PART VII — EXEMPTIONS AND/OR DEDUCTIONS</b>		
<b>LIST DETAILS CONCERNING “EXEMPTIONS” AND/OR “DEDUCTIONS” CLAIMED.</b>		
Amounts claimed as an exemption or deduction must be explained; otherwise, the amounts claimed will be disallowed and proposed assessments prepared against you. If any of these exemptions or deductions are claimed in Column (b) on the front page, you must itemize them in the spaces provided below. Refer to the SCHEDULE OF TRANSIENT ACCOMMODATIONS TAX EXCLUSIONS, EXEMPTIONS, AND DEDUCTIONS in Form TA-1 Instructions for further information about exemptions and deductions.		
AMOUNT		OAHU
<div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">6</div>	0.00	

AMOUNT		MAUI, MOLOKAI, LANAI
<div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">6</div>	0.00	

*fig. 2.2*

*ABC enters "0.00" on the "GRAND TOTAL EXEMPTIONS and/or DEDUCTIONS" line and on line 23 of the front page because there are no exemptions or deductions being claimed.*

AMOUNT 7 00 **GRAND TOTAL EXEMPTIONS and/or DEDUCTIONS (Enter here and on line 23, front page.)**  
 (NOTE: If additional space is needed, please attach schedule.)

*fig. 2.3*

**STEP 8** — Subtract the amount in column (b), if any, from column (a) and enter the result in column (c) (*fig. 2.1*). Column (c) is your taxable proceeds.

*ABC does not have any exemptions or deductions so \$10,000 is entered on line 9, column (c), and \$20,000 is entered on line 10, column (c).*

**STEP 9** — Column (c), lines 1 through 12. Multiply the taxable proceeds in Part I by .0725, in Part II by .0825, and in Part III by .0925 and enter the result as taxes in column (d) (*fig. 2.1*).

*ABC has multiplied \$10,000 (taxable proceeds for Oahu in Part II) by .0925 (the tax rate) to get \$925, which is entered in column (d), line 9. ABC has also multiplied \$20,000 (taxable proceeds for Maui in Part II) by .0925 (the tax rate) to get \$1,850, which is entered in column (d), line 10.*

**STEP 10** — Part IV and Part VI are to be completed **ONLY** by time share plan managers to report total fair market rental values and TSO tax due for the periodic filing period.

Report the total fair market rental value during the period for all resort time share vacation plans represented by you. To obtain the total fair market rental value to enter in Part

VI, column (a), add the amounts from line 31 on each of the Forms TA-42, Time Share Occupancy Worksheet — Calculation of Total Fair Market Rental Value. Please note that if you have time share vacation plans in more than one taxation district, you must report the total fair market rental value separately according to the taxation district in which the time share plans are located.

## FINISHING THE TAX RETURN (fig. 2.4)

PART IV — TIMESHARE OCCUPANCY TAX (To be completed by Plan Managers ONLY)			
13	Enter the total taxes for Timeshare Occupancy from page 2, Part VI, line 28, here	10	13
PART V — TOTAL PERIODIC RETURN			
14	<b>TOTAL TAXES DUE.</b> Add Column (d) of lines 1 through 13 and enter result here. If you did not have any activity for the period, enter "0.00" here.	11	2,775 00 14
15	Amounts Assessed During the Period (For Amended Return ONLY)		
	PENALTY		
	INTEREST		
16	<b>TOTAL AMOUNT.</b> Add lines 14 and 15.	12	2,775 00 16
17	TOTAL PAYMENTS MADE FOR THE PERIOD (For Amended Return ONLY).		17
18	<b>CREDIT TO BE REFUNDED.</b> Line 17 minus line 16 (For Amended Return ONLY)		18
19	<b>ADDITIONAL TAXES DUE.</b> Line 16 minus line 17 (For Amended Return ONLY)		19
20	<b>FOR LATE FILING ONLY</b> →	13	
	PENALTY		
	INTEREST		
21	<b>TOTAL AMOUNT DUE AND PAYABLE</b> (Original Returns, add lines 16 and 20; Amended Returns, add lines 19 and 20).	14	2,775 00 21
22	<b>PLEASE ENTER THE AMOUNT OF YOUR PAYMENT.</b> Attach a check or money order payable to "HAWAII STATE TAX COLLECTOR" in U.S. dollars drawn on any U.S. bank to Form TA-1. Write "TA", the filing period, and your Hawaii Tax I.D. No. on your check or money order. Mail to: HAWAII DEPARTMENT OF TAXATION, P.O. Box 2430, HONOLULU, HI 96804-2430 or file and pay electronically at <a href="http://tax.hawaii.gov/eservices/">tax.hawaii.gov/eservices/</a> . If you are NOT submitting a payment with this return, please enter "0.00" here.	15	2,775 00 22
23	<b>GRAND TOTAL OF EXEMPTIONS/DEDUCTIONS CLAIMED from back of form.</b>	7	0 00 23
<b>DECLARATION:</b> I declare, under the penalties set forth in section 231-36, HRS, that this is a true and correct return, prepared in accordance with the provisions of the Transient Accommodations Tax Law, Chapter 237D, HRS and the rules issued thereunder. A CORPORATION OR PARTNERSHIP TAX RETURN MUST BE SIGNED BY AN OFFICER, PARTNER OR MEMBER, OR DULY AUTHORIZED AGENT OF SUCH ENTITY.			
16	Henry Aloha	President	2/20/15 (808) 123-4567
	SIGNATURE	TITLE	DATE DAYTIME PHONE NUMBER

fig. 2.4

**STEP 11** — Add lines 1 through 13 of column (d), and enter the total on line 14. This is the "TOTAL TAX DUE". **CAUTION:**

*ABC has added \$925 and \$1,850 for a total of \$2,775 which is entered on line 14.*

**STEP 12** — Enter the amount from line 14 on line 16, "TOTAL AMOUNT".

**STEP 13** — Late Filing of Return—The penalty for failure to file a return on time is assessed on the tax due at a rate of 5% a month, or part of a month, from the due date to the filing date, up to a maximum of 25%.

Interest—Interest at the rate of 2/3 of 1% a month, or part of a month, shall be assessed on the unpaid taxes and penalties beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on a Saturday, Sunday, or legal holiday.

After computing the penalty and interest amounts, enter the results to the right of "PENALTY" and "INTEREST" and enter the total of the two amounts on line 20. If you are unable to compute the penalty and interest, leave these lines blank. The Department will compute it for you and send you a bill.

**STEP 14** — Add the amounts on lines 16 and 20, and enter the "TOTAL AMOUNT DUE AND PAYABLE" on line 21.

**STEP 15** — **NOTE:** If you are NOT submitting a check with your return, enter "0.00" on line 22.

**LINE 14 MUST BE FILLED IN.** If you have no tax due, enter "0.00" on line 14.

Write the "AMOUNT OF YOUR PAYMENT", including any penalty and interest, on line 22. Attach your check or money order for this amount payable to "Hawaii State Tax Collector" in U.S. dollars drawn on any U.S. bank where indicated on the front of the return. Write "TA", the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order. Send your check or money order and the return to:

Hawaii Department of Taxation  
P.O. Box 2430  
Honolulu, HI 96804-2430

**DO NOT SEND CASH.** Form TA-1, including an amended return, can also be filed and payment made electronically at [tax.hawaii.gov/eservices/](http://tax.hawaii.gov/eservices/).

**STEP 16** — Sign your tax return. The sole proprietor, a partner or member, corporate officer, or an authorized agent must sign the tax return, state his/her title, write the date the return is signed, and write a daytime contact phone number.

## **INSTRUCTIONS FOR FILING AN AMENDED FORM TA-1**

If you file your Form TA-1 and later become aware of any changes you must make to reported gross rental or gross rental proceeds or exemptions/deductions, you may file an amended return on Form TA-1 to change the Form TA-1 you already filed.

Do **NOT** file an amended Form TA-1 if the Transient Accommodations Tax Annual Return & Reconciliation, Form TA-2, has already been filed for the tax year.

Complete your amended Form TA-1 as follows:

1. Check the box at the top of the front page of the Form TA-1 to designate that this is an amended return (see *fig. 2.0*).
  2. Enter the correct amounts of gross rental or gross rental proceeds, exemptions/deductions, taxable proceeds, and taxes due which should have been reported on the original Form TA-1. Follow Steps 1 through 11 above used to complete your original return. (**Note:** Entries which were correctly reported on the original Form TA-1 also must be entered on the appropriate line(s). **Failure to do so will result in a change from the correct amount to -0-.**)
  3. As of the date the amended return is filed, enter on line 15 the amounts of penalty and/or interest assessed for the period. Penalty and interest are generally assessed because the original return was filed after the filing deadline or because the taxes due were not paid in full by the filing deadline.
  4. Enter on line 17 the total amount of taxes, additional assessments, and penalty and/or interest paid less any refunds received for the period. Include payments made with the original periodic return, as well as any supplemental payments made after the original periodic return was filed. REMINDER: Payments are applied first to recover costs incurred by the Department, then to any interest due, then to penalties, and finally, to taxes.
  5. If line 16 is LESS THAN line 17, subtract line 16 from line 17 and enter the result on line 18, "CREDIT TO BE REFUNDED".
  6. If line 16 is MORE THAN line 17, subtract line 17 from line 16 and enter the result on line 19, "ADDITIONAL TAXES DUE".
  7. If the amended Form TA-1 is being filed after the due date of the original Form TA-1, and if there is an amount entered on line 19, enter on line 20 the amount of any penalty and/or interest now due. On a timely filed original Form TA-1, a penalty of 20% of the tax due will be assessed if any tax remains unpaid after 60 days from the prescribed due date of the original Form TA-1. The 60-day period is calculated beginning with the prescribed due date, even if the prescribed due date falls on a Saturday, Sunday, or legal holiday. This penalty is applicable to amended Form TA-1s for timely filed original Form TA-1s. Interest at the rate of 2/3 of 1% per month or part of a month shall be assessed on unpaid taxes and penalties assessed beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on Saturday, Sunday, or legal holiday.
  8. Add lines 19 and 20 and enter the total on line 21, "TOTAL AMOUNT DUE AND PAYABLE".
  9. Enter on line 22 the amount of any payment being made with the amended Form TA-1. If the amended Form TA-1 is being filed after the due date of the original Form TA-1, include any additional penalty and interest in your payment. Attach your check or money order for this amount payable to "Hawaii State Tax Collector" in U.S. dollars drawn on any U.S. bank where indicated on the front of the amended Form TA-1. Write "TA", the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order. Send your check or money order and the amended Form TA-1 to:  

Hawaii Department of Taxation  
P.O. Box 2430  
Honolulu, HI 96804-2430
- DO NOT SEND CASH. An amended Form TA-1 can also be filed and payment made electronically at **[tax.hawaii.gov/eservices/](http://tax.hawaii.gov/eservices/)**.
10. If any exemptions/deductions are claimed in column (b) of lines 1 through 12, complete Part VII on the reverse side of the amended Form TA-1. The amount and type of exemptions/deductions claimed must be individually listed even if reported correctly on the original Form TA-1 filed.
  11. Enter the total of all exemptions/deductions reported on reverse side of the amended Form TA-1 on line 23.
  12. Sign your name and write your title, the date, and a daytime contact phone number in the spaces provided on the front page of the amended Form TA-1 (see *fig. 2.4*).



SCHEDULE OF TRANSIENT ACCOMMODATIONS TAX EXCLUSIONS, EXEMPTIONS, AND DEDUCTIONS  
(NOTE: ALL SECTION REFERENCES ARE TO THE HAWAII REVISED STATUTES)

Section 237D-1: Gross rental or gross rental proceeds do not include:

- (1) The amount of transient accommodations taxes passed-on, collected, and received from the consumer.
- (2) The amount of general excise taxes passed-on, collected, and received from the consumer.
- (3) Charges for guest amenities, including meals, beverages, telephone calls, laundry, and service charges. (Section 18-237D-1-03(c), Hawaii Administrative Rules)
- (4) Accounts charged off as worthless for income tax purposes by an accrual basis taxpayer. (Section 18-237D-1-03(e), Hawaii Administrative Rules)

Division of gross rental or gross rental proceeds:

Where transient accommodations are furnished by an operator through an arrangement with a travel agency or tour packager at noncommissionable negotiated contract rates and the gross rental or gross rental proceeds are divided between the operator and the travel agent or tour packager, the gross rental or gross rental proceeds to the operator is the respective portion allocated or distributed to the operator, and no more.

Section 237D-3: The following are exempt from the Transient Accommodations Tax:

- (1) Health care facilities including all such facilities enumerated in Section 321-11(10).
- (2) School dormitories of a public or private educational institution providing education in grades kindergarten through twelve, or of any institution of higher education.
- (3) Lodging provided by nonprofit corporations or associations for religious, charitable, or educational purposes; provided that this exemption shall apply only to the activities of the religious, charitable, or educational corporation or association as such and not to any rental or gross rental the primary purpose of which is to produce income even if the income is used for or in furtherance of the exempt activities of such religious, charitable, or educational corporation or association.
- (4) Living accommodations for persons in the military on permanent duty assignment to Hawaii, including the furnishing of transient accommodations to those military personnel who receive temporary lodging allowances while seeking accommodations in Hawaii or while awaiting reassignment to new duty stations outside the State.
- (5) Low-income renters receiving rental subsistence from the state or federal governments and whose rental periods are for durations shorter than sixty days.
- (6) Operators of transient accommodations who furnish accommodations to full-time students enrolled in an institution offering post-secondary education. The director of taxation shall determine what shall be deemed acceptable proof of full-time enrollment. This exemption shall also apply to operators who furnish transient accommodations to students during summer employment.
- (7) Accommodations furnished without charge such as, but not limited to, complimentary accommodations, accommodations furnished to contract personnel such as physicians, golf or tennis professionals, swimming and dancing instructors, and other personnel to whom no salary is paid or to employees who receive room and board as part of their salary or compensation.
- (8) Accommodations furnished to foreign diplomats and consular officials who are holding cards issued or authorized by the United States Department of State granting them an exemption from state taxes.